

Message Text

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44

ORIGIN COME-00

INFO OCT-01 ARA-10 ISO-00 DODE-00 EB-07 NSAE-00 TRSE-00

AEC-07 CIAE-00 INR-07 /032 R

DRAFTED BY COM/OIM/LAD/DIBA/TJOHNSON

APPROVED BY EB/OCA/REP/JBRABENS

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P R 131843Z FEB 75

FM SECSTATE WASHDC

TO AMCONSUL RIO DE JANEIRO PRIORITY

INFO AMEMBASSY BRASILIA

AMCONSUL SAO PAULO

UNCLAS STATE 033180

E.O. 11652: N.A.

TAGS: BEXP, BR

SUBJECT: PROBLEMS IN SELLING U.S. COMPUTER SOFTWARE IN

- BRAZIL

1. U.S. FIRM, BOOLE & BABBAGE CO., 850 STEWART DR., SUNNY-VALE, CALIFORNIA 94086, IS EXPERIENCING DIFFICULTIES IN LICENSING ITS COMPUTER SOFTWARE PACKAGE IN BRAZIL. THE PRINCIPAL OBSTACLE APPEARS TO BE THE ABSENCE OF A DEFINITIVE DECISION FROM INPI EXCEPTING COMPUTER SOFTWARE FROM NORMAL ROYALTY PAYMENT CEILINGS. ACCORDING TO THE FIRM, LICENSED COMPUTER SOFTWARE IN THE U.S. NORMALLY EARNS ROYALTIES IN EXCESS OF 50, BUT THERE EXISTS NO PRECEDENT IN BRAZIL FOR ROYALTY REMITTANCES OF THIS MAGNITUDE. FIRM BELIEVES THAT THERE IS A MARKET FOR THEIR PACKAGE, AND ORDERS HAVE BEEN RECEIVED. BUT FIRM IS UNWILLING TO ACCEPT THESE ORDERS AND ASSUME SERVICE AND MAINTENANCE RESPONSIBILITY IF ADEQUATE ROYALTIES CANNOT BE REMITTED.

2. POST IS REQUESTED TO CLARIFY CURRENT STATE OF BRAZILIAN MARKET FOR IMPORTED COMPUTER SOFTWARE AND TO EXTEND OTHER APPROPRIATE ASSISTANCE TO BOOLE AND BABBAGE. IN PARTICULAR
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WE WOULD LIKE TO KNOW:

- 1) DOES BRAZIL WANT TO IMPORT TECHNOLOGICAL KNOW-HOW
- IN THE FORM OF COMPUTER SOFTWARE?
- 2) HOW IS PROPRIETARY COMPUTER SOFTWARE SOLD AND
- PROTECTED IN BRAZIL?

3. ALAN STERLING OF MRD HAS SUGGESTED THE FOLLOWING INDIVIDUAL AS A GOOD POTENTIAL SOURCE OF THIS KIND OF INFORMATION:

- MR. GEORGE HERZ
- BURROUGHS CORPORATION
- R. ARAUJO PORTO ALEGRE, 36 - 80 ANDAR
- RIO DE JANEIRO (TEL: 252-2060)

4. FIRM'S AGENT IS IVAN T. GEORGE OF DELTACOM DE BRASIL, AVENIDA REBOUCAS 42045, SAO PAULO (TEL: 81-77-60). GEORGE WOULD BE PLEASED TO VISIT CONGEN TO PROVIDE FURTHER DETAILS OF SITUATION. THIS PARTICULAR CASE WAS REFERRED TO US BY THE OFFICE OF THE SECRETARY, BUT OTHER U.S. FIRMS HAVE MET WITH SIMILAR FRUSTRATIONS IN ATTEMPTING TO SELL COMPUTER SOFTWARE IN BRAZIL. INGERSOLL

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